

**RECORD OF PROCEEDINGS**

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MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS OF  
THE CRESTVIEW WATER AND SANITATION DISTRICT  
ADAMS COUNTY, COLORADO

**August 9, 2017**

The regular 7:00 P.M. meeting of the Board of Directors of the Crestview Water and Sanitation District was held August 9, 2017 at the office of the District, 7145 Mariposa Street, Adams County, Colorado. The meeting was presided over by President Mike Doak. Board Secretary Danny Sweeney was present to record the minutes.

Members Present:

Mike Doak	President
Jill Martin	Vice-President
Danny Sweeney	Secretary/Treasurer
Henry Dietz	Director
Lori Sakowicz	Director

Also Present:

Ron Forman	Attorney
Ron Sanchez	District representative-Metro
Mitch Terry	District Manager

The Pledge of Allegiance was recited.

**METRO REPORT - RON SANCHEZ**

- Metro is planning on spending \$863,000,000 over next 10 years to replace aging facilities and to increase capacities and efficiencies.
- Discussions were also held regarding increasing the yield on short term investments.
- Working on developing processes to remove phosphates.

**PUBLIC COMMENTS**

There were no comments made.

**MINUTES FOR APPROVAL, July 12, 2017**

Director Doak asked if there were any corrections, deletions, or additions to the Minutes for the July 12, 2017 meeting of the Board.

There being no corrections, deletions, or additions, the Minutes for the July 12, 2017 meeting of the Board were accepted as presented.

**DISTRICT MANAGER REPORT**

**AUGUST BIRTHDAYS**-Happy August birthday to the District's meter reader, Rick Flynt and billing clerk, Bob Russell.

**METRO WASTEWATER 2018 ANNUAL CHARGES**- The Metro Wastewater and Reclamation District Board of Directors approved an overall 2.0 percent increase for the 2018 Budget. However, because of debits for the 2015 Final Adjustment and the 2016 Revised Estimate, Crestview will realize a decrease of approximately 6.5 percent in the 2018 annual treatment payment versus the current 2017 payment. The 6.5 percent decrease over the 2017 annual charges is equal to \$88,500.00. The annual payment for 2018 will be \$1,262,940.00.

2018 BUDGET-Preparations for the 2018 Budget have begun. Crestview will be utilizing the services of Poysti and Adams, LLC to help assemble the proposed budget. Charlie Poysti will be meeting with District staff on September 11<sup>th</sup> to compile all of the necessary data from Crestview's staff to create the 2018 draft budget to be presented to the Budget Committee on September 27, 2017. The annual Budget Committee Meeting will be held at The Old Spaghetti Factory beginning at 7:30 PM. The Old Spaghetti Factory is located at 9145 Sheridan Blvd. Westminster.

RETAINING SUMMER WORKER AS FULL TIME-Michael Hoff has been working for Crestview as a summer worker for the past four summers and is currently employed by Crestview for this summer. Michael has expressed interest in being hired on as a full time employee. Patrick Stock, the District Superintendent has stated that Michael is a hard worker that works well with the other employees. Michael's end of summer service date is scheduled to be August 25th. Due to the change in employees at the office and the subsequent reduced total salaries for the remainder of 2017, hiring Michael for the remainder of 2017 will not cause our salaries and wages expenditures to exceed the amount budgeted for 2017. If we were to hire Michael as a full time regular employee, the District would pay out an additional \$13,727.04 to Michael for the rest of 2017. Hiring Michael would cause the 2018 salaries and wages budgeted amount to increase by 6.2%.

**The Board** all agreed that hiring Michael would be a benefit to the district and that hiring him on full time beginning August 28, 2017 is acceptable.

2018 RATES STUDY-I requested of Raftelis Financial Consultants, Inc. to provide Crestview with a proposal to perform a rates study, cost of service analysis and develop a 10 year financial plan for 2018. Crestview had Raftelis perform all three parts in 2016 for Crestview's 2017 rates, cost of service and 10 year financial plan. For the 2018 proposal to be paid in 2017, Raftelis has proposed the same amount as was paid in 2016 for 2018; \$26,490.00. During the July 12, 2017 meeting of the Board, the Board chose to make a determination as to whether or not to have the study done this year for 2018 at the August 9, 2017 meeting of the Board.

**The Board** chose to use the Rates Study for the 2017 calendar year and its 10 year financial plan as its basis for the 2018 rates. With that, the Board chose not to utilize the services of Raftelis Financial Consultants for a 2018 rates study.

TIME VALUE INVESTMENTS-I've recently been in contact with Chris Bateman at Time Value Investments discussing Crestview possibly investing in government bonds to try and earn more money than the interest that the bank is paying currently. Guaranty Bank is currently paying .5% on Crestview's funds at Guaranty Bank. Mr. Bateman suggested that Crestview purchase four different bonds with four different terms to keep all of the bonds from maturing at the same time. It was suggested that Crestview purchase a 3 year 5 month non-callable bond at 1.65%, a 2 year 9 month callable bond at 1.48%, a 2 year 2 month callable bond at 1.42% and a 1 year 6 month callable bond at 1.31%. I have enclosed a spreadsheet detailing each bond's total interest paid to the District if the bonds aren't called up before maturity and if Crestview were to invest just under \$1 million dollars per bond. The amount per bond is not fixed at the \$1 million amount but it is best illustrated at the \$1 million amount. If all four bonds go to the end of the term, the amount of interest the district would earn would be \$157,100 on the investment. Additional bonds may be purchased at the end to continue to re-invest these monies. If the Board is interested in pursuing this, I can have Chris attend the next meeting by phone to better explain how it all works and what is needed to get it all in place.

**The Board** has asked for more information about Time Value Investments and the bonds that are being presented for Crestview. Mr. Forman has asked for the information to be sent directly to him via email and/or printed materials.

BUDGET 2018-Since it is time to prepare the 2018 draft budget, I have a couple questions to ask the Board. The 17 Year Water Main Replacement schedule, as enclosed in this report, indicates that Crestview is to replace 5,750 linear feet of water main in Federal Boulevard from 61<sup>st</sup> avenue to 67<sup>th</sup> avenue. The estimated amount for this replacement is based on \$450 per lineal feet or \$2,585,250. Clarice O'Hanlon, Crestview's engineer has indicated that the price may be closer to \$500 per lineal foot totaling \$2,872,500.

Generally, Crestview will require developers to install larger mains when causing the need for replacement based on the size of their project. This water main could wait for a few years to see if any large developments might be constructed within this area of the District. I think it would be in Crestview's best interest if we replaced it on our own instead of waiting for a development that might or might not come along to have them construct a new main. If the Board chooses to not replace this main, we will need to have 5 to 6 valves inserted in Federal to assist in isolating future water breaks.

Each inserted valve would cost approximately \$10,000 to 13,000 each which would include the valve and labor costs to install it and patch back of the asphalt. Five valve insertions would equal in the neighborhood of \$80,000 to \$95,000. The maintenance team currently has to shut off 19 valves in and around Federal to isolate a water break. Depending on the size and severity of the break, the time alone to isolate the break could be very costly in damages to the street and surrounding areas of the break.

Another item I would like to add to the 2018 budget is a full size street sweeper to pick up all the dirt/mud that is deposited on streets due to water breaks. A new street sweeper is generally around \$187,000 to \$260,000.

**The Board** chose to swap the 2018 and 2019 water main replacement projects in the 17 year replacement schedule with the hope of having a developer replace the main in Federal Blvd. due to excess demand allowing the District to avoid paying for the water main replacement in Federal Blvd. as a capital improvement project.

**The Board** also asked Mr. Terry to look into the possibility of hiring enough new staff to create the District's own pipeline replacement crew. A report will be provided to the Board at the August 23<sup>rd</sup> meeting.

**The Board** requested that Mr. Terry look into the cost of a new 30' X 60' steel garage to store additional equipment and check with Adams County about setback requirements and codes for a new addition. The building would be an addition to the east garage located at 6410 Pecos St.

MIDTOWN AT CLEAR CREEK SUBDIVISION- the plans for Filing 9, located on the southwest corner of 68<sup>th</sup> & Pecos are still in review. The water portion is good to go but the sewer mains are still being adjusted to avoid having to have private sewer mains within the filing. The elementary school that is planned for the southeast corner of 68<sup>th</sup> & Zuni are being reviewed currently also.

CLEAR CREEK VILLAGE TOD- The developer and the engineer for the TOD Group have been in contact with me several times over the last few weeks. They are tentatively looking to build three, three story buildings. There will be approximately 120 residential units within these proposed buildings. The TOD Group and Denver Water have also been in communications to determine the best schedule to get Crestview's master meter relocated from 52<sup>nd</sup> & Eliot to 60<sup>th</sup> & Federal and to install a new master meter at 60<sup>th</sup> & Lowell. Sixteen water services and five fire hydrants will also need to be transferred from Crestview's water main in Federal to Denver Water's water main in Federal as part of the Berkeley Water takeover by Denver Water. These will also be performed by the TOD Group to allow them to construct their project at 6001 Federal Blvd.

CLEAR LAKE SUBDIVISION-Homes are currently being built on Florado Street. No taps have been purchased for Tejon Street or Shoshone Street to date.

POMPONIO TERRACE- The new 16" water main being constructed by the Pomponio Terrace project is progressing well. There are sanitary sewer mains also being constructed within the project as well. Pomponio Terrace is also hopeful to start building homes by October 1st.

BAKER APARTMENTS-The Baker Apartment development is hopeful to break ground by the end of October.

Denver Water July purchase  
81,809,000 gallons  
2,639,000 gallons per day  
Average since 2006 is 81,852,000

**BILLS** -

Director Martin made a motion to adopt the following resolution:

Director Dietz inquired about a couple bills that were detailed. Trouble shooting 52? The District's SCADA system located at 52<sup>nd</sup> & Eliot was hit by lightning. Automation Services was out to troubleshoot what parts needed to be replaced. All-Copy is the contract to lease the printer/scanner/copier in the office.

Director Doak asked about the Pomponio Terrace RGA fees. Those fees are a pass-through for reviews performed for Crestview relating to the Pomponio Terrace development.

**RES #12-17 BE IT RESOLVED THAT** the Bills be paid.

Director Doak seconded the motion.

AYES: Directors Doak, Martin, Sweeney, Dietz and Sakowicz.

NAYS: None.

The resolution was adopted unanimously.

**OFFICE DATA**

The Office Data was accepted as presented.

**FINANCIAL REPORT**

The numbers for employee benefits and wages are lower than expected. It is suspected that the change in office staff and their wages and benefits will be considerably lower causing the financial report to indicate lower numbers.

The Financial Report was accepted as presented.

**PUBLIC INFORMATION**-An ad will be posted twice in the Westminster Window in September detailing Crestview's Budget Public Hearing to be held on October 27th.

**OLD BUSINESS**-The hail storm of August 8<sup>th</sup> that damaged the roof of the main office, the Utility Maintenance office at 6410 Pecos and the west garage at 2495 W. 64<sup>th</sup> is almost a thing of the past. The roof at the main office was replaced last October. The roof of the Utility Maintenance Building was replaced on August 8<sup>th</sup> and the West Garage will be replaced during the weeks of August 14<sup>th</sup> through August 25<sup>th</sup>.

**NEW BUSINESS**-No new business to report.

There being no further new business to come before the Board, a motion was made and seconded to adjourn the meeting. Director Doak adjourned the meeting at 7:58 P.M.

Respectfully submitted,

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Danny Sweeney, Secretary